



County of Los Angeles

CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

May 29, 2003

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To: Supervisor Yvonne Brathwaite Burke, Chair
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From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

Yesterday, the Assembly Budget Committee adopted the reports of its subcommittees on a party-line vote, clearing the way for the budget bill to proceed to the Assembly floor. Today, the Senate Budget Committee did the same, also on a party-line vote. The budget bills are tentatively scheduled for action on the floor on June 2, 2003, with the conference committee to begin two to three days later.

Pursuit of County Position on Legislation

AB 1154 (Frommer), as amended on April 22, 2003, addresses staffing problems in the Office of Statewide Health Planning and Development (OSHPD) that affect timely review of hospital construction plans. Specifically, AB 1154 would exempt OSHPD positions that are funded by the Hospital Building Fund (HBF) from any State hiring freezes and curtailments, and authorizes OSHPD to increase staffing financed by the HBF.

Under current law, the HBF is funded by a fee levied by the State on hospital construction projects to support OSHPD's review of projects. Despite special financing of OSHPD's staffing, the agency has been unable to fill positions due to the State hiring freeze and the 2002-03 Budget Act curtailments.

According to the bill's sponsor, the California Healthcare Association (CHA), AB 1154 will ensure OSHPD has sufficient staff to process hospital construction projects and avoid undue delay. The hospital industry is particularly concerned that the OSHPD staffing problems will lead to increased construction costs and jeopardize hospital efforts to meet seismic safety improvements within State mandated deadlines. The CHA indicates that OSHPD staffing problems threaten to delay over 1,400 hospital seismic safety construction projects totaling more than \$1 billion.

Currently, the County has many hospital construction projects, including the LAC+USC Replacement Project, which are, or will be, under OSHPD review. According to the Departments of Public Works, Health Services, and CAO Capital Projects, AB 1154 will facilitate the on-time delivery of hospital construction projects. **Therefore, our Sacramento advocates will support AB 1154.** This is consistent with policy to support legislation that will help hospitals meet the SB 1953 seismic safety requirements.

The bill is supported by the Alliance of Catholic Health Care and Kaiser Permanente. There is no opposition on file.

AB 1154 passed the Assembly Health Committee on April 30, 2003, on a 21 to 1 vote, and is currently in the Assembly Appropriations Committee suspense file.

We will continue to keep you advised.

DEJ:GK
MAL:JKL:JR:ib

c: Executive Officer, Board of Supervisors
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